

Workforce News



A quarterly publication of the Department of Workforce Services: issued December 2009

Mountainland: Summit, Utah, Wasatch

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Transportation and Warehousing Reflect the Overall Economy

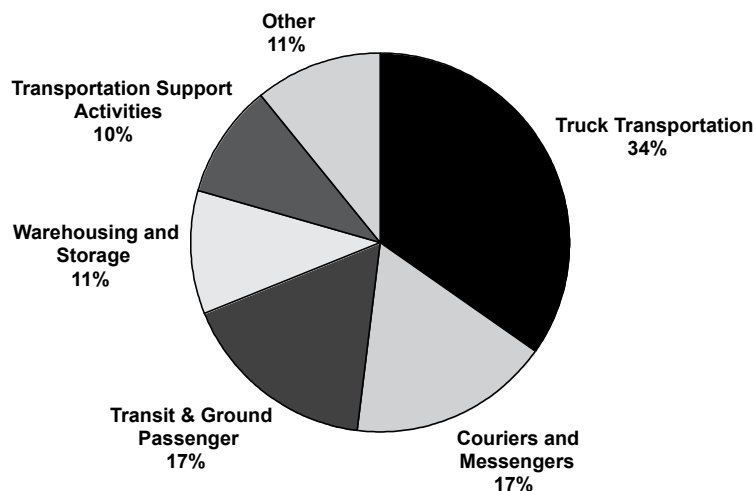
In the Mountainland counties (Utah, Summit, and Wasatch), the labor market has suffered as a result of the national and Utah recessions that began after December 2007. At first, the recession was felt primarily in housing construction and related industries as the housing bubble popped. Then after September 2008, as a result of the national financial crises, job losses increased dramatically across almost all industries as credit was unavailable for a time and very tight for several months thereafter.

Inside:

- **Summit:** In the second quarter of 2009, additional job cuts plagued the labor market.
- **Utah:** The worst part of this recession hit Utah County in April 2009 with job losses of 5.2 percent compared to April 2008.
- **Wasatch:** The labor market also deteriorated in Wasatch County.

Just a few years ago the economic background was very different. From 2005 through 2007 job gains were the order of the day. Economic growth,

**Components of the Transportation and Warehousing Industry
in Mountainland Counties: 2008**



Source: Utah Department of Workforce Services.



Contact the author, your regional economist, with any questions on content:

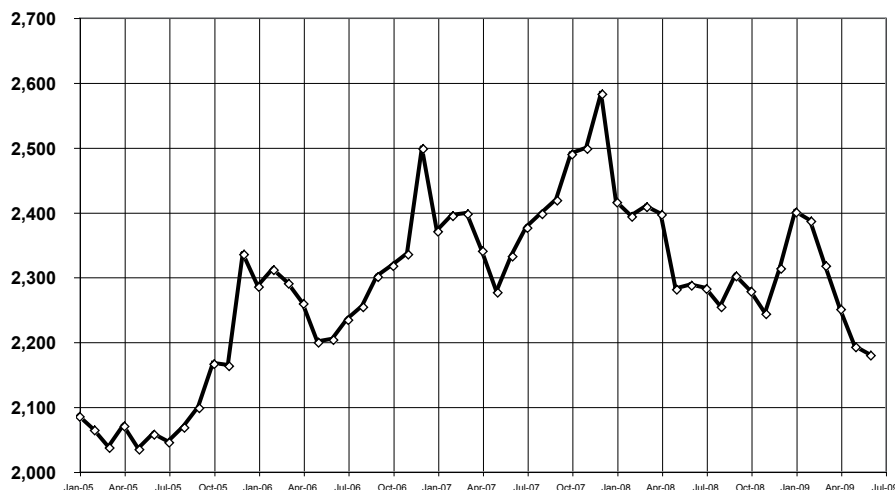
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Transportation and Warehousing (continued)

**Transportation and Warehousing Jobs in Mountainland Counties:
January 2005 to June 2009**



Source: Utah Department of Workforce Services.

very low unemployment, and ample job opportunities characterized the regional economy.

Employment in the transportation and warehousing industry can be used as an indicator of overall economic activity, expanding when the economy grows and contracting when economic activity declines (see chart). The five major sub-industry groups for transportation and warehousing in the Mountainland region are: truck transportation, couriers, transit and ground passenger transportation, warehousing, and transportation support services. Together these five areas account for 89.3 percent of total

employment in transportation and warehousing. These industries are, of course, involved in the movement of goods and people used in the production process by all other industries, and the import and export of final and intermediate goods and services into and out of this region. The flows of materials, people, and services—general economic activity—are reflected in transportation and warehousing employment levels.

For Mountainland counties, the number of jobs in transportation and warehousing peaked in December 2007 at 2,582 when the last economic expansion in Utah (as

well as nationally) ended. Some job losses occurred immediately, as the usual seasonal job reduction from December to January was larger than normal. As the recession developed in 2008, transportation and warehousing jobs declined in most months through November 2008. After a holiday seasonal increase in December 2008 and an uncharacteristic increase in January 2009, job losses resumed through June 2009. The job count of 2,179 in June 2009 was the lowest level since November 2005.

Employment estimates for the Provo-Orem metropolitan area indicate that the number of jobs in transportation and warehousing did not continue dropping in the third quarter of 2009. It seems that we may have reached a bottom in terms of job loss in the transportation and warehousing industry, and this is also an indication that general activity in the regional economy may now be expanding, necessitating more hiring in this important industry. **WFN**

For more info:

To explore more industry employment data, go to:
<http://jobs.utah.gov/jsp/wi/utalmis/gotoIndustry.do>

County News

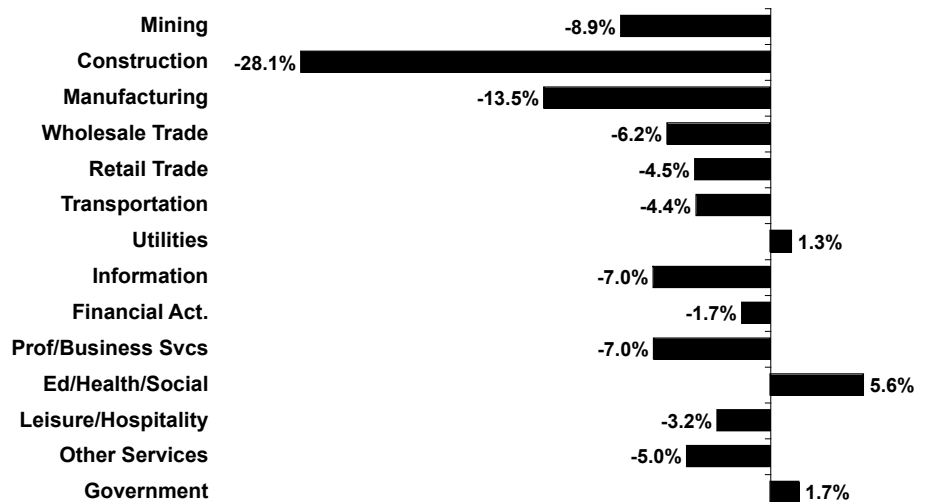
Utah County:

If you use the change in nonfarm jobs over the previous twelve months as your measuring stick, the worst part of this recession hit Utah County in April 2009, with job losses of 9,757 or a decline of 5.2 percent compared to April 2008.

By June 2009, the most recent month for which we have job reports from employers by county, there were 8,965 fewer jobs in the county than recorded twelve months earlier, a year-over decline of 4.9 percent. The hardest hit industries, as measured by job losses in the last twelve months, continue to be construction (-4,335), manufacturing (-2,562), administrative support (-1,857), and trade (-1,389). Most other industries suffered significant year-over declines in employment as well. The industry sectors that had job gains over the year ending in June 2009 were private education (+1,605), healthcare (+388), local government (+248), and state government (+164).

The estimated number of unemployed in Utah County increased from 7,100 in June 2008 to 12,675 by September 2009. The seasonally adjusted unemployment rate was 5.8 percent in September 2009 compared to 3.1 percent 15 months earlier in June 2008.

Utah County Percent Change in Nonfarm Jobs by Industry: June 2008 to June 2009



Source: Utah Department of Workforce Services.

Total All Industries: - 4.9 percent.

As we enter the final 3 months of 2009, there are signs that the labor market is stabilizing, although economic conditions remain fragile. In Utah County job estimates made in October 2009 indicate employment is holding steady, without significant job losses or gains. The worry now is that any economic expansion will be anemic and the labor market will remain stressed with relatively small employment increases, while unemployment continues to drift upward into 2010.

Summit County:

In the second quarter of 2009, additional job cuts plagued the Summit County labor market. By June, year-over nonfarm payroll employment had fallen by 9.5 percent, or 1,991 jobs lost since June 2008.

Employment losses were spread throughout most major industrial sectors. From June 2008 to June 2009, the largest employment declines occurred in construction (-763 jobs), leisure and hospitality (-752), trade, transportation, and utilities (-185 jobs), finance (-179)

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and administrative support services (-166). Job gains over this same period were sparse—local government (+53), healthcare (+37), and other services (+45).

The seasonally adjusted unemployment rate continued to increase. The number of unemployed in Summit County increased from 730 in September of 2008 to 1,320 in September 2009. This translates into an unemployment rate of 6.1 percent in September 2009 compared to 3.3 percent twelve months earlier.

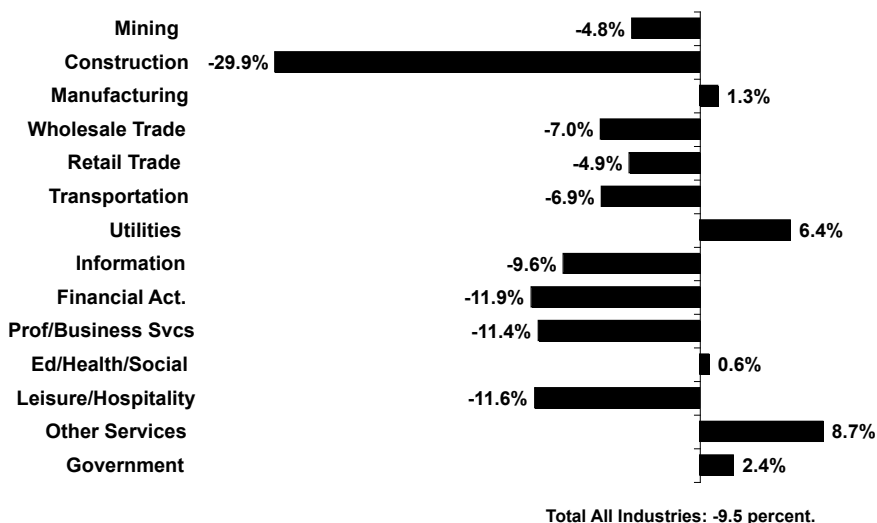
Wasatch County:

The labor market also deteriorated in Wasatch County during the second quarter of 2009. In June there were 740 fewer nonfarm jobs than recorded a year ago, a decline of 10.8 percent.

Major job losses were reported in three industries from June 2008 to June 2009—construction lost 408 jobs, a 35.6 percent decline; accommodations and food services fell by 196 jobs, a reduction of 14.4 percent; and trade fell by 96 jobs, a decline of 10.1 percent.

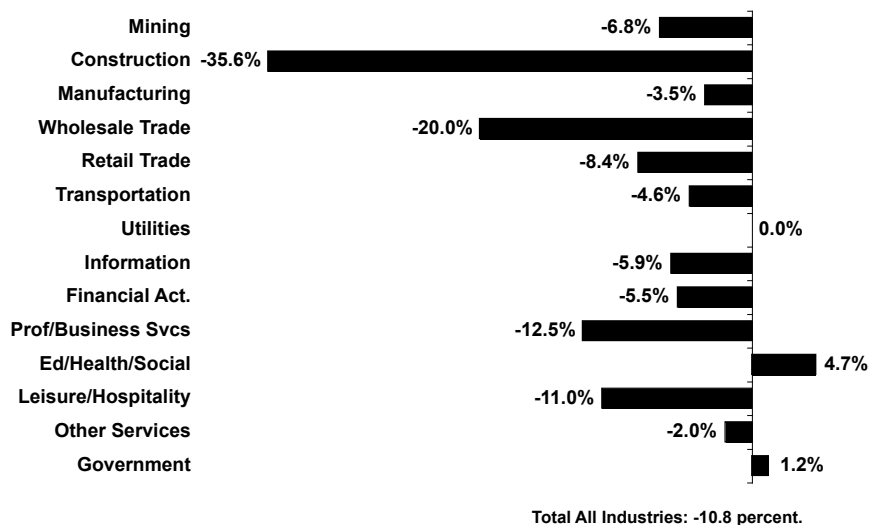
In September 2009, the unemployment rate was 6.6 percent, increasing from 3.5 percent in June 2008. There were about 700 residents of Wasatch County unemployed in September 2009, compared to 361 a year earlier. **WFN**

Summit County Percent Change in Nonfarm Jobs by Industry: June 2008 to June 2009



Source: Utah Department of Workforce Services.

Wasatch County Percent Change in Nonfarm Jobs by Industry: June 2008 to June 2009



Source: Utah Department of Workforce Services.

What's Up?

"Approximately 300 people were hired to work at the soon-to-be-opened **St. Regis Deer Crest Resort** located at Deer Valley. The 12-acre luxury property, set to open in November, will be one of just two five-star-rated resorts in Utah, along with the Stein Eriksen Lodge also located at Deer Valley. This \$320-million development will include 181 guest rooms and suites, 67 condominiums and 26 upper-level private residences."

—Deseret News

"**Provo-Orem** ranked second on Forbes' list of U.S. cities on the rise. Among the places in America that have welcomed the most newcomers in 2008 is Provo-Orem, home to Brigham Young University, one of the country's largest private colleges. College towns are attractive locations where students and education professionals help welcome outsiders."

—Forbes

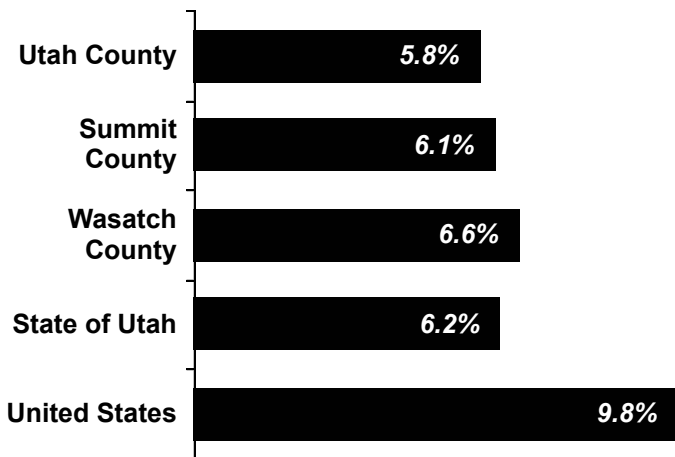
"For the third year in a row, **Deer Valley** was chosen by skiers as the No. 1 ski area in North America. **Park City Mountain Resort** moves up a spot to No. 4. Voting is conducted each year by Ski Magazine. It is the first time in recent history that a ski area has held the spot for three consecutive years. In fact, during the past seven years, Deer Valley has earned the top spot four times."

—Deseret News

"The Provo-Orem Chamber of Commerce has changed its name to the **Utah Valley Chamber of Commerce** to support its refocused strategy to meet the changing needs of businesses throughout Utah Valley. The Chamber recognizes the need that businesses have to gain valley-wide exposure. The refocused mission of the Chamber is to stimulate local business establishment, growth and development by facilitating business-to-business and business-to-community relationships throughout Utah Valley. The Utah Valley Chamber will work with other chambers throughout the valley to build an effective chamber network that serves the full range of business needs."

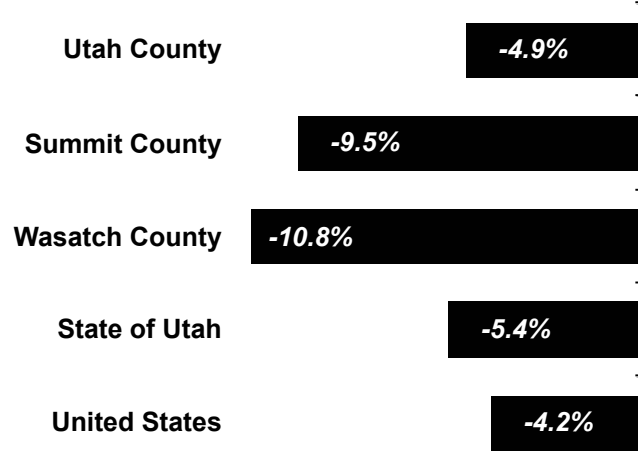
—Utah Business

**Seasonally Adjusted Unemployment Rates
September 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs
June 2008 to June 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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